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INTERSTATE COMMERCE COMMISSION

**TRAILER TRAIN COMPANY
EQUIPMENT TRUST**

Series 29

EQUIPMENT TRUST AGREEMENT

by and between

**MANUFACTURERS HANOVER TRUST COMPANY,
Trustee**

and

TRAILER TRAIN COMPANY

Dated as of August 1, 1971

EQUIPMENT TRUST AGREEMENT dated as of August 1, 1971, by and between MANUFACTURERS HANOVER TRUST COMPANY, a New York corporation (hereinafter called the Trustee), and TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Company).

WHEREAS the Company has agreed to cause to be sold, transferred and delivered to the Trustee the railroad equipment described herein; and

WHEREAS the Company and the manufacturers of such railroad equipment have entered into temporary lease agreements (hereinafter called Interim Documents) providing for the temporary leasing of such railroad equipment to the Company; and

WHEREAS title to such railroad equipment is to be vested in and is to be retained by the Trustee, and such railroad equipment is to be leased to the Company hereunder until title is transferred under the provisions hereof; and

WHEREAS Trailer Train Company Equipment Trust Certificates, Series 29 (hereinafter called the Trust Certificates), are to be issued and sold in an aggregate principal amount not exceeding \$5,025,000 and proceeds in such amount are to be deposited with the Trustee to constitute a fund, to be known as TRAILER TRAIN COMPANY EQUIPMENT TRUST, SERIES 29, to be applied by the Trustee in payment of the cost of the Trust Equipment (as hereinafter defined), the remainder of the cost thereof to be paid out of advance rentals to be paid by the Company as provided herein; and

WHEREAS the Trust Certificates and the guaranty to be endorsed thereon by the Company are to be substantially in the following forms, respectively:

[FORM OF TRUST CERTIFICATE]

\$.....

No.

TRAILER TRAIN COMPANY

EQUIPMENT TRUST CERTIFICATE,
Series 29

Total Authorized Issue \$5,025,000

MANUFACTURERS HANOVER TRUST COMPANY, Trustee

MANUFACTURERS HANOVER TRUST COMPANY, Trustee (hereinafter called the Trustee) under an Equipment Trust Agreement (hereinafter called the Agreement) dated as of August 1, 1971, by and between the Trustee and TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Company), hereby certifies that

or registered assigns is entitled to an interest in the principal amount of \$
in Trailer Train Company Equipment Trust, Series 29, due and payable in instalments as hereinafter provided, and to dividends on the unpaid principal amount represented by this Certificate due and payable semiannually on February 1 and August 1 in each year, commencing February 1, 1972, at the rate of % per annum from the date hereof until such principal amount becomes due and payable, with interest on any overdue instalment of principal and dividends, to the extent legally enforceable, at the rate of $9\frac{3}{4}\%$ per annum. Payments of instalments of principal, dividends and interest shall be made by the Trustee to the registered holder hereof at the corporate trust office of the Trustee in

the Borough of Manhattan, in The City of New York, in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. Each such payment shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. The principal amount of this Trust Certificate is due and payable in equal annual instalments on August 1 in each year from 197 through 19 , both inclusive. Dividends and interest shall be computed hereunder on the basis of a 360-day year of twelve 30-day months.

This Certificate is one of an authorized issue of Trust Certificates, in an aggregate principal amount not exceeding the Total Authorized Issue set forth above, and issued or to be issued under the Agreement, under which certain railroad equipment leased to the Company (or cash or obligations defined in the Agreement as "Investments" in lieu thereof, as provided in the Agreement) is held by the Trustee in trust for the equal and ratable benefit of the holders of the Trust Certificates issued thereunder. Reference is made to the Agreement (a copy of which is on file with the Trustee at its said office) for a more complete statement of the terms and provisions thereof, to all of which the registered holder hereof, by accepting this Certificate, assents.

This Certificate is transferable in whole or in part by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new fully registered Trust Certificate or Certificates for the then unpaid aggregate principal amount hereof (and payable as herein provided) will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount

hereof is transferred, a balance piece therefor will be issued to the transferor. The Trustee and the Company may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and dividends and for all other purposes and shall not be affected by any notice to the contrary.

In case of the happening of an Event of Default (as defined in the Agreement) all instalments of principal (and dividends accrued thereon) represented by this Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by one of its Assistant Vice Presidents, by his signature or a facsimile thereof, and its corporate seal or facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by one of its Assistant Secretaries or one of its Assistant Trust Officers by his signature.

Dated as of

MANUFACTURERS HANOVER TRUST COMPANY,
Trustee,

by
Assistant Vice President.

Attest:

.....
Assistant Trust Officer.

[FORM OF GUARANTY]

GUARANTY

Trailer Train Company, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment when due of the principal of said Certificate, and of the dividends thereon specified in said Certificate, with interest on any overdue principal and dividends, to the extent legally enforceable, at the rate of $9\frac{3}{4}\%$ per annum, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein. The obligations of the Company under the foregoing guaranty are superior in right of payment to all of the Company's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Company and certain of its Stockholders.

TRAILER TRAIN COMPANY,

by
President.

WHEREAS, it is desired to secure to the holders of the Trust Certificates the payment of the principal and dividends thereon as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto hereby agree as follows:

ARTICLE ONE

MODEL PROVISIONS

SECTION 1.01. *Incorporation of Model Provisions.*
 Whenever this Agreement incorporates herein by reference, in whole or in part or as hereby amended, any provision of

the document entitled “Model Non-Railroad Private Placement Equipment Trust Provisions” annexed to this Agreement as Annex A hereto (hereinafter called the Model Provisions), such provision of the Model Provisions shall be deemed to be a part of this Agreement as fully to all intents and purposes as though such provision had been set forth in full in this Agreement.

ARTICLE TWO

DEFINITIONS

SECTION 2.01. *Definitions.* Section 2.01 of the Model Provisions is hereby amended (a) by deleting the definition of “Investments” therein and substituting therefor the definition of “Investments” set forth below and (b) by adding thereto the following other definitions:

“*Company* shall mean Trailer Train Company and any successor or successors to it complying with the provisions of Section 5.09 or 7.04.

“*Corporate Trust Office* shall mean the principal office of the Trustee in the Borough of Manhattan, City and State of New York, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of execution of this Agreement, located at 40 Wall Street, New York, New York 10015.

“*Cost*, when used with respect to Equipment, shall mean the actual cost thereof (including freight charges, if any, from a manufacturer’s plant to a point of delivery to the Company and applicable local or state sales taxes, if any), as evidenced by the manufacturer’s invoice with respect to such Equipment less any deduction therefrom due to a quantity discount as provided in the second paragraph of Section 5.04.

“Equipment shall mean standard-gauge railroad flat cars (other than passenger or work equipment), but shall not include any special devices, racks or assemblies, at any time attached or affixed to any such cars, the cost or purchase price of which is not included in the Cost of such cars and the title to which is in a person, firm or corporation other than the Company or the Trustee.

“Investments shall mean (i) bonds, notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States are pledged to provide for the payment of the interest and principal, in each case maturing within one year after the date of investment therein, (ii) commercial paper of any company incorporated and doing business under the laws of the United States of America or one of the States thereof which (x) shall have assets, as shown on the most recent balance sheet of such company published by Standard & Poor's Corporation or Moody's Investors Service, Inc. or the successor of either of them, of at least \$1,000,000,000, (y) shall have all outstanding long-term senior indebtedness rated at least “A” or its equivalent (and no such indebtedness rated less than “A” or its equivalent) by either Standard & Poor's Corporation or Moody's Investors Service, Inc. or the successor of either of them and (z) shall have had a ratio of earnings (before fixed charges and income taxes) to fixed charges, as shown by the most recently published report of either Standard & Poor's Corporation or Moody's Investors Service, Inc. or the successor of either of them, of at least 1.1 for each of the five full fiscal years (for which such financial

data has been published by such report) next preceding the date of purchase of such commercial paper and (iii) certificates of deposit of or time deposits in banks or trust companies incorporated and doing business under the laws of the United States of America or one of the States thereof having a capital and surplus aggregating at least \$50,000,000; all of which shall mature within one year or less.

“Penalty Rate shall mean a rate per annum equal to $9\frac{3}{4}\%$.

“Trust Certificates shall mean Trailer Train Company Equipment Trust Certificates issued hereunder.

“Trustee shall mean Manufacturers Hanover Trust Company, a corporation duly organized and existing under the laws of the State of New York, and, subject to the provisions of Article Nine, any successor as trustee hereunder.”

Section 2.01 of the Model Provisions, as so amended, is herein incorporated as Section 2.01 hereof.

ARTICLE THREE

TRUST CERTIFICATES AND ISSUANCE THEREOF

SECTION 3.01. *Issuance of Trust Certificates.* Section 3.01 of the Model Provisions is herein incorporated as Section 3.01 hereof.

SECTION 3.02. *Interests Represented by Trust Certificates; Dividends; Maturity.* Each of the Trust Certificates shall represent an interest in the amount therein specified in the trust created hereunder. The aggregate principal amount

of the Trust Certificates will be payable in aggregate annual instalments of \$335,000 on August 1 in each of the years 1972 through 1986. Payments of principal of any individual Trust Certificate will be made as specified therein. The Trust Certificates will bear dividends on the unpaid principal amounts thereof, payable on February 1 and August 1 of each year, commencing February 1, 1972, at the rate of $7\frac{1}{2}\%$ in respect of the annual instalments of principal payable in each of the years 1972 through 1976 and $8\frac{3}{4}\%$ in respect of the annual instalments of principal payable in each of the years 1977 through 1986, with interest payable on overdue instalments of principal and dividends at the Penalty Rate; *provided, however*, that, upon Request, Trust Certificates registered in the name of the Company will not bear dividends during the period so registered.

The principal of and dividends on the Trust Certificates shall be payable at the Corporate Trust Office in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and dividends to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Trustee) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the instalments of principal amount represented thereby theretofore paid in whole or in part, on the date each such payment is due the Trustee will mail its check, or on request of the holder the Trustee will

wire by 11:00 a.m. New York time, funds immediately available on such date, to the account of such registered holder at such bank as it may designate by notice in writing to the Trustee, in the case of wire transfers, and in all other cases, to such registered holder at his address shown on the registry books maintained by the Trustee or at such other address as may be directed in writing by such holder (and the Company agrees to make its rental payments pursuant to Section 5.04 at such times and in such funds as will enable the Trustee to comply herewith) ; *provided, however*, that the deposit of an agreement pursuant to this paragraph shall not be required of any original purchaser of the Trust Certificates or of any other purchasers approved by the Company, who, at the time payments of principal or dividends are to be made, are holders of Trust Certificates, and the Trustee shall without the deposit of such agreement make payments of principal and dividends to such original purchasers of Trust Certificates or to any other purchaser so approved by the Company at the address of each supplied to the Trustee by the Company.

SECTION 3.03. *Form, Execution and Characteristics of Trust Certificates.* Section 3.03 of the Model Provisions is hereby amended by adding after the word “denominations” at the end of paragraph (c) thereof the words “of like tenor and maturity”. Section 3.03 of the Model Provisions, as so amended, is herein incorporated as Section 3.03 hereof.

SECTION 3.04. *Replacement of Lost Trust Certificates.* Section 3.04 of the Model Provisions is herein incorporated as Section 3.04 hereof.

ARTICLE FOUR

ACQUISITION OF TRUST EQUIPMENT BY TRUSTEE;
DEPOSITED CASH

SECTION 4.01. *Acquisition of Equipment by Trustee.* Section 4.01 of the Model Provisions is herein incorporated as Section 4.01 hereof.

SECTION 4.02. *Payment of Deposited Cash.* From time to time, when and as any Equipment shall have been accepted by the Trustee or its agent or agents pursuant to Section 4.01, the Trustee shall (subject to the provisions of Sections 4.03 and 4.04) pay, upon Request, to the manufacturers of the accepted Equipment out of Deposited Cash then held by the Trustee an amount not exceeding 80% of the lesser of the aggregate Cost of such Trust Equipment or its fair value, as specified in the Officers' Certificate furnished to the Trustee pursuant to Section 4.04(b).

SECTION 4.03. *Payment of Deficiency.* The Company covenants that, contemporaneously with any payment by the Trustee pursuant to Section 4.02, it will, if necessary, pay to the Trustee the advance rental provided in Section 5.04 (A), and thereupon the Trustee shall, upon Request, pay to the manufacturers of the accepted Equipment, by the use of such advance rental, the portion of the aggregate Cost of the accepted Equipment not paid out of Deposited Cash as provided for in Section 4.02. The intention of this Section is that the Company shall ultimately pay not less than 20% of the Cost of all the Equipment accepted by the Trustee as Trust Equipment pursuant to this Article Four, and the Trustee and the Company shall at any time, if occasion arises, adjust their accounts and payments to the end that the Trustee shall pay with Deposited Cash not more than 80% of the lesser of the Cost or fair value thereof and the Company shall pay the remainder, to be not less than 20% of such Cost.

Certificates. The appointment of a receiver or receivers in equity or reorganization or a trustee or trustees in bankruptcy or reorganization for the Company or for its property shall not be deemed an unauthorized assignment unless the same shall constitute an Event of Default.

So long as the Company shall not be in Default, the Company shall be entitled to the possession of the Trust Equipment and also to sublease the Trust Equipment to, or to permit its use under the terms of car contracts by, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia), in Mexico (or any State or the Federal District thereof) or in the Dominion of Canada (or any Province or Territory thereof), upon lines of railroad owned or operated by such sublessee or user, or over which such sublessee or user has trackage right or rights for operation of its trains, and upon connecting and other carriers in or between the United States, Puerto Rico, Mexico or Canada in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement; *provided that*, if the Company subleases or permits the use of the Trust Equipment in Puerto Rico, or in Canada (or any Province or Territory thereof) or in Mexico (or any State or the Federal District thereof), the Company shall, except as otherwise provided in Section 7.05, first have (a) taken all necessary action to protect the right, title and interest of the Trustee in the Trust Equipment to be so subleased or used and (b) furnished the Trustee with an opinion of Puerto Rican, Canadian or Mexican counsel, as the case may be, satisfactory to the Trustee to the effect that such action is all that is necessary to protect the right, title and interest of the Trustee in such Trust Equipment.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Trust Equipment in-

cluded in such sublease and the use thereof subject to the rights and remedies of the Trustee in respect of the Trust Equipment covered by such sublease upon the occurrence of an Event of Default. A copy or the form of each such sublease (and of each amendment thereto, if any) shall promptly be filed with the Trustee.

The Trustee shall have the right to declare the lease provided for herein terminated in case of any unauthorized assignment or transfer of the Company's rights hereunder or in case of any unauthorized transfer or sublease of any of the Trust Equipment. The election of the Trustee to terminate the lease provided for herein shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SECTION 5.10. *Marking of Trust Equipment.* The Company agrees that, at the time of delivery to the Trustee pursuant to this Agreement of each unit of Equipment, there shall be plainly, distinctly, permanently and conspicuously marked on each side of such unit, in letters not less than one inch in height:

“OWNED BY A BANK OR TRUST COMPANY UNDER A
SECURITY AGREEMENT FILED UNDER THE INTERSTATE
COMMERCE ACT, SECTION 20c.”

Such marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of each unit of the Trust Equipment; *provided, however*, if any unit of Equipment shall be in service pursuant to the terms of the Interim Documents referred to in the second preamble hereof at the time such unit is transferred to the Trustee hereunder, the Company agrees to cause such unit to be so marked within a reasonable time, and in any case within one year. Within one year after the delivery to the Trustee pursuant to this Agreement of each unit of Trust Equipment, the

Company agrees to furnish to the Trustee a certificate of an agent or agents designated by the Trustee to receive delivery of the Trust Equipment stating that such unit described and specified therein by number or numbers has been marked in accordance with the provisions of this Section.

In case, prior to the termination of the lease provided for in this Article Five, any of such marks shall at any time be removed, defaced or destroyed, the Company shall cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any of the Trust Equipment at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Trustee and which shall be filed and recorded by the Company in like manner as this Agreement.

The Trust Equipment may be lettered "Trailer Train" or "TTX", or in some other appropriate manner for convenience of identification of the leasehold interest of the Company therein, and may also be lettered, in case of a sublease of any Trust Equipment made pursuant to Section 5.09, in such manner as may be appropriate for convenience of identification of the subleasehold interest therein; but the Company, during the continuance of the lease provided for herein, will not allow the name of any person, firm, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, firm, association or corporation other than the Trustee.

ARTICLE SIX

EVENTS OF DEFAULT AND REMEDIES

Article Six of the Model Provisions is herein incorporated as Article Six hereof.

ARTICLE SEVEN

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 7.01. *Guaranty of Company.* Section 7.01 of the Model Provisions is hereby amended by adding an additional paragraph at the end thereof reading as follows:

“The obligations of the Company under said guaranty are superior in right of payment to all of the Company’s Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Company and certain of its Stockholders.”

Section 7.01 of the Model Provisions, as so amended, is herein incorporated as Section 7.01 hereof.

SECTION 7.02. *Discharge of Liens.* Section 7.02 of the Model Provisions is herein incorporated as Section 7.02 hereof.

SECTION 7.03. *Further Assurances.* Section 7.03 of the Model Provisions is herein incorporated as Section 7.03 hereof.

SECTION 7.04. *Merger or Consolidation.* Section 7.04 of the Model Provisions is herein incorporated as Section 7.04 hereof.

SECTION 7.05. *Recording.* The Company will, promptly after the execution and delivery of this Agreement (and prior to the delivery of any Trust Equipment to the Trustee hereunder) and each supplement hereto, respectively, cause this Agreement and each such supplement to be duly filed

and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purpose of proper protection of the title of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof; *provided, however*, that the Company shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Company deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Company has taken all action required by law to protect the title of the Trustee to units of Equipment having a fair value of not less than 85% of the aggregate fair value of all the Trust Equipment (such fair value to be determined in the manner provided in subparagraph (1) of the last paragraph of Section 5.07), and (3) any unit of Trust Equipment at any time located in such jurisdiction shall have been marked with the markings specified in Section 5.10.

Promptly after the execution and delivery of this Agreement and each supplement hereto, the Company will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, this Agreement or such supplement, as the case may be, has been properly recorded and filed so as effectively to protect the title of the Trustee to the Trust Equipment and its rights and the rights of the holders of the Trust Certificates thereunder and hereunder as provided in the next preceding paragraph and reciting the details of such action.

SECTION 7.06. *Increase of User Rates.* The Company covenants and agrees (i) that, if an Event of Default shall

happen under Section 6.01(a) by reason of the failure of the Company to pay, or cause to be paid, to the Trustee within the grace period provided in Section 6.01(a), all or any part of the rentals due and payable under Section 5.04 (B)(3) or (B)(4) required for the payment of the principal of or dividends on the Trust Certificates (but not including any principal or dividends payable by reason of acceleration of the date of payment thereof), the Company will, upon written notice by the Trustee so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other Forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of the Trust Equipment will contain provisions permitting the Company to require such increases and (iii) that, unless in connection with an assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Company pursuant to Section 5.09, the Company will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Company to the parties to such Form A and Form B car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the Company in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Company to enable it to pay all such overdue principal and dividends (with interest on overdue principal and dividends at the Penalty Rate, to the extent legally enforceable) and to cure any defaults in

payment of any principal, dividends or interest (or rentals intended to provide for payment thereof) payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement of the Company not guaranteed by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Company relating to the use of its cars. If for any reason any such increases so made by the Company shall fail to provide in 90 days sufficient cash to enable the Company to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Company will, upon receipt of written notice from the Trustee so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Company to cure all such defaults hereunder and under such other agreements.

ARTICLE EIGHT

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

Article Eight of the Model Provisions is herein incorporated as Article Eight hereof.

ARTICLE NINE

THE TRUSTEE

Article Nine of the Model Provisions is herein incorporated as Article Nine hereof.

ARTICLE TEN

MISCELLANEOUS

SECTION 10.01. *Rights Confined to Parties and Holders.* Section 10.01 of the Model Provisions is herein incorporated as Section 10.01 hereof.

SECTION 10.02. *No Recourse.* Section 10.02 of the Model Provisions is herein incorporated as Section 10.02 hereof.

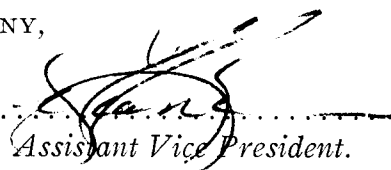
SECTION 10.03. *Binding Upon Assigns.* Section 10.03 of the Model Provisions is herein incorporated as Section 10.03 hereof.

SECTION 10.04. *Notices.* All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of the Company, 1819 J. F. Kennedy Boulevard, Philadelphia, Pennsylvania 19103, or such other address as may hereafter be furnished to the Trustee in writing by the Company and (b) in the case of the Trustee, 40 Wall Street, New York, New York 10015, or such other address as may hereafter be furnished to the Company in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company or the Trustee, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 10.05. *Effect of Headings; Date Executed; and Governing Law.* Section 10.05 of the Model Provisions is herein incorporated as Section 10.05 hereof.

IN WITNESS WHEREOF, the Company and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

MANUFACTURERS HANOVER TRUST
COMPANY,

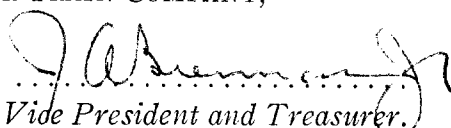
by 
Assistant Vice President.

[CORPORATE SEAL]

Attest:


Assistant Trust Officer.

TRAILER TRAIN COMPANY,

by 
Vice President and Treasurer.

Attest:


Assistant Secretary.

[CORPORATE SEAL]

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 21st day of July 1971, before me personally appeared T. C. CRANE, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MANUFACTURERS HANOVER TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen Costine

KATHLEEN COSTINE Public
Notary Public, State of New York
No. 31-5832362 - New York
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1972

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } ss.:

On this 26th day of July 1971, before me personally appeared J. A. BRENNAN, JR., to me personally known, who, being by me duly sworn, says that he is Vice President and Treasurer of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joseph H. Tremmel

Notary Public
JOSEPH H. TREMMEL

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires April 8, 1974

[NOTARIAL SEAL]

all the Trust Equipment repainted or repaired since the date of the last preceding statement (or the date of this Agreement in the case of the first statement) the marks required by Section 5.10 have been preserved, or that such Trust Equipment when repainted or repaired has been again marked as required thereby. The Trustee, by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect the Trust Equipment at the then existing locations thereof; *provided, however*, that the Company shall not be liable for any injury to, or the death of, any agent or employee of the Trustee incurred while exercising any such right to inspect the Trust Equipment under the preceding provision of this sentence, unless the Company's own negligence is the direct cause of such injury or death.

SECTION 5.09. *Possession of Trust Equipment.* Except as provided in this Section, the Company will not assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as herein provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. An assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Company and which, by execution of an appropriate instrument satisfactory to the Trustee, shall assume and agree to perform each and all of the obligations and covenants of the Company hereunder and under the guaranty endorsed on the Trust Certificates shall not be deemed a breach of this covenant, but no such transfer or assumption shall have the effect of releasing the Company from its obligations hereunder or from its obligations as guarantor of the Trust

Certificates. The appointment of a receiver or receivers in equity or reorganization or a trustee or trustees in bankruptcy or reorganization for the Company or for its property shall not be deemed an unauthorized assignment unless the same shall constitute an Event of Default.

So long as the Company shall not be in Default, the Company shall be entitled to the possession of the Trust Equipment and also to sublease the Trust Equipment to, or to permit its use under the terms of car contracts by, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia), in Mexico (or any State or the Federal District thereof) or in the Dominion of Canada (or any Province or Territory thereof), upon lines of railroad owned or operated by such sublessee or user, or over which such sublessee or user has trackage right or rights for operation of its trains, and upon connecting and other carriers in or between the United States, Puerto Rico, Mexico or Canada in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement; *provided that*, if the Company subleases or permits the use of the Trust Equipment in Puerto Rico, or in Canada (or any Province or Territory thereof) or in Mexico (or any State or the Federal District thereof), the Company shall, except as otherwise provided in Section 7.05, first have (a) taken all necessary action to protect the right, title and interest of the Trustee in the Trust Equipment to be so subleased or used and (b) furnished the Trustee with an opinion of Puerto Rican, Canadian or Mexican counsel, as the case may be, satisfactory to the Trustee to the effect that such action is all that is necessary to protect the right, title and interest of the Trustee in such Trust Equipment.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Trust Equipment in-

cluded in such sublease and the use thereof subject to the rights and remedies of the Trustee in respect of the Trust Equipment covered by such sublease upon the occurrence of an Event of Default. A copy or the form of each such sublease (and of each amendment thereto, if any) shall promptly be filed with the Trustee.

The Trustee shall have the right to declare the lease provided for herein terminated in case of any unauthorized assignment or transfer of the Company's rights hereunder or in case of any unauthorized transfer or sublease of any of the Trust Equipment. The election of the Trustee to terminate the lease provided for herein shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SECTION 5.10. *Marking of Trust Equipment.* The Company agrees that, at the time of delivery to the Trustee pursuant to this Agreement of each unit of Equipment, there shall be plainly, distinctly, permanently and conspicuously marked on each side of such unit, in letters not less than one inch in height:

“OWNED BY A BANK OR TRUST COMPANY UNDER A
SECURITY AGREEMENT FILED UNDER THE INTERSTATE
COMMERCE ACT, SECTION 20c.”

Such marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of each unit of the Trust Equipment; *provided, however*, if any unit of Equipment shall be in service pursuant to the terms of the Interim Documents referred to in the second preamble hereof at the time such unit is transferred to the Trustee hereunder, the Company agrees to cause such unit to be so marked within a reasonable time, and in any case within one year. Within one year after the delivery to the Trustee pursuant to this Agreement of each unit of Trust Equipment, the

Company agrees to furnish to the Trustee a certificate of an agent or agents designated by the Trustee to receive delivery of the Trust Equipment stating that such unit described and specified therein by number or numbers has been marked in accordance with the provisions of this Section.

In case, prior to the termination of the lease provided for in this Article Five, any of such marks shall at any time be removed, defaced or destroyed, the Company shall cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any of the Trust Equipment at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Trustee and which shall be filed and recorded by the Company in like manner as this Agreement.

The Trust Equipment may be lettered "Trailer Train" or "TTX", or in some other appropriate manner for convenience of identification of the leasehold interest of the Company therein, and may also be lettered, in case of a sublease of any Trust Equipment made pursuant to Section 5.09, in such manner as may be appropriate for convenience of identification of the subleasehold interest therein; but the Company, during the continuance of the lease provided for herein, will not allow the name of any person, firm, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, firm, association or corporation other than the Trustee.

ARTICLE SIX

EVENTS OF DEFAULT AND REMEDIES

Article Six of the Model Provisions is herein incorporated as Article Six hereof.

ARTICLE SEVEN

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 7.01. *Guaranty of Company.* Section 7.01 of the Model Provisions is hereby amended by adding an additional paragraph at the end thereof reading as follows:

“The obligations of the Company under said guaranty are superior in right of payment to all of the Company’s Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Company and certain of its Stockholders.”

Section 7.01 of the Model Provisions, as so amended, is herein incorporated as Section 7.01 hereof.

SECTION 7.02. *Discharge of Liens.* Section 7.02 of the Model Provisions is herein incorporated as Section 7.02 hereof.

SECTION 7.03. *Further Assurances.* Section 7.03 of the Model Provisions is herein incorporated as Section 7.03 hereof.

SECTION 7.04. *Merger or Consolidation.* Section 7.04 of the Model Provisions is herein incorporated as Section 7.04 hereof.

SECTION 7.05. *Recording.* The Company will, promptly after the execution and delivery of this Agreement (and prior to the delivery of any Trust Equipment to the Trustee hereunder) and each supplement hereto, respectively, cause this Agreement and each such supplement to be duly filed

and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purpose of proper protection of the title of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof; *provided, however*, that the Company shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Company deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Company has taken all action required by law to protect the title of the Trustee to units of Equipment having a fair value of not less than 85% of the aggregate fair value of all the Trust Equipment (such fair value to be determined in the manner provided in subparagraph (1) of the last paragraph of Section 5.07), and (3) any unit of Trust Equipment at any time located in such jurisdiction shall have been marked with the markings specified in Section 5.10.

Promptly after the execution and delivery of this Agreement and each supplement hereto, the Company will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, this Agreement or such supplement, as the case may be, has been properly recorded and filed so as effectively to protect the title of the Trustee to the Trust Equipment and its rights and the rights of the holders of the Trust Certificates thereunder and hereunder as provided in the next preceding paragraph and reciting the details of such action.

SECTION 7.06. *Increase of User Rates.* The Company covenants and agrees (i) that, if an Event of Default shall

happen under Section 6.01(a) by reason of the failure of the Company to pay, or cause to be paid, to the Trustee within the grace period provided in Section 6.01(a), all or any part of the rentals due and payable under Section 5.04 (B)(3) or (B)(4) required for the payment of the principal of or dividends on the Trust Certificates (but not including any principal or dividends payable by reason of acceleration of the date of payment thereof), the Company will, upon written notice by the Trustee so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other Forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of the Trust Equipment will contain provisions permitting the Company to require such increases and (iii) that, unless in connection with an assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Company pursuant to Section 5.09, the Company will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Company to the parties to such Form A and Form B car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the Company in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Company to enable it to pay all such overdue principal and dividends (with interest on overdue principal and dividends at the Penalty Rate, to the extent legally enforceable) and to cure any defaults in

payment of any principal, dividends or interest (or rentals intended to provide for payment thereof) payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement of the Company not guaranteed by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Company relating to the use of its cars. If for any reason any such increases so made by the Company shall fail to provide in 90 days sufficient cash to enable the Company to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Company will, upon receipt of written notice from the Trustee so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Company to cure all such defaults hereunder and under such other agreements.

ARTICLE EIGHT

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

Article Eight of the Model Provisions is herein incorporated as Article Eight hereof.

ARTICLE NINE

THE TRUSTEE

Article Nine of the Model Provisions is herein incorporated as Article Nine hereof.

ARTICLE TEN

MISCELLANEOUS

SECTION 10.01. *Rights Confined to Parties and Holders.* Section 10.01 of the Model Provisions is herein incorporated as Section 10.01 hereof.

SECTION 10.02. *No Recourse.* Section 10.02 of the Model Provisions is herein incorporated as Section 10.02 hereof.

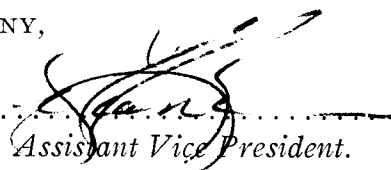
SECTION 10.03. *Binding Upon Assigns.* Section 10.03 of the Model Provisions is herein incorporated as Section 10.03 hereof.

SECTION 10.04. *Notices.* All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of the Company, 1819 J. F. Kennedy Boulevard, Philadelphia, Pennsylvania 19103, or such other address as may hereafter be furnished to the Trustee in writing by the Company and (b) in the case of the Trustee, 40 Wall Street, New York, New York 10015, or such other address as may hereafter be furnished to the Company in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company or the Trustee, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 10.05. *Effect of Headings; Date Executed; and Governing Law.* Section 10.05 of the Model Provisions is herein incorporated as Section 10.05 hereof.

IN WITNESS WHEREOF, the Company and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

MANUFACTURERS HANOVER TRUST
COMPANY,

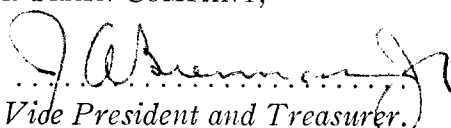
by 
Assistant Vice President.

[CORPORATE SEAL]

Attest:


Assistant Trust Officer.

TRAILER TRAIN COMPANY,

by 
Vice President and Treasurer.

Attest:


Assistant Secretary.

[CORPORATE SEAL]

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 21st day of July 1971, before me personally appeared T. C. CRANE, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MANUFACTURERS HANOVER TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen Costine

KATHLEEN COSTINE Public
Notary Public, State of New York
No. 31-5832362 - New York
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1972

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } ss.:

On this 26th day of July 1971, before me personally appeared J. A. BRENNAN, JR., to me personally known, who, being by me duly sworn, says that he is Vice President and Treasurer of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joseph H. Tremmel

Notary Public
JOSEPH H. TREMMEL

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires April 8, 1974

[NOTARIAL SEAL]

SCHEDULE I

Type	Quantity	Company Car Numbers (all inclusive)	Unit Cost	Total Cost
<i>ACF Industries, Inc.</i>				
89'4" Standard Level Auto Rack Flat Cars	54	920000 to 920053	\$16,805.46	\$ 907,494.84
<i>Bethlehem Steel Corporation</i>				
89'4" Standard Level Auto Rack Flat Cars	9	963798 to 963806	16,502.87	148,525.83
89'4" Standard Level Auto Frame Flat Cars	23	963807 to 963829	16,552.87	380,716.01
89'4" Standard Level Saddleback Flat Cars	29	963830 to 963858	16,873.83	489,341.07
89'4" Standard Level Auto Frame Flat Cars	12	963859 to 963870	21,872.88	262,474.56
89'4" Standard Level Auto Frame Flat Cars	19	963871 to 963889	16,800.00	319,200.00
68' 100-ton Capacity Bulkhead Flat Cars	50	80670 to 80719	22,258.00	1,112,900.00
68' 100-ton Capacity Cable Reel Flat Cars	10	80720 to 80729	22,084.00	220,840.00
	12	80730 to 80741	22,449.00	269,388.00
<i>Pullman Inc.,</i> (<i>Pullman-Standard Division</i>)				
89'4" Lo-Dek Auto Rack Flat Cars	36	801753 to 801788	18,482.59	665,373.24
	82	801789 to 801870	18,490.94	1,516,257.08
				<u>\$6,292,510.63</u>

Form 6-1-70

ANNEX A

**MODEL NON-RAILROAD PRIVATE PLACEMENT
EQUIPMENT TRUST PROVISIONS**

**MODEL NON-RAILROAD PRIVATE PLACEMENT
EQUIPMENT TRUST PROVISIONS**

ARTICLE TWO

DEFINITIONS

SECTION 2.01. *Definitions.* The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified:

Affiliate of any corporation shall mean any corporation which, directly or indirectly, controls or is controlled by, or is under common control with, such corporation. For the purposes of this definition, *control* (including *controlled by* and *under common control with*), as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise.

Default shall mean

- (1) any Event of Default; and
- (2) the occurrence and continuance of an event which, with the giving of notice or the passage of time or both, would constitute an Event of Default.

The Company shall "be in Default" if a Default shall have occurred and be continuing.

Deposited Cash shall mean the aggregate of (a) the proceeds from the sale of the Trust Certificates deposited

with the Trustee pursuant to Section 3.01 and, when required or indicated by the context, any Investments purchased by the use of such proceeds pursuant to the provisions of Section 9.04, and (b) any sums restored to Deposited Cash from rentals pursuant to Section 5.04(B)(1)(b) and on deposit with the Trustee.

Event of Default shall mean any event specified in Section 6.01 to be an Event of Default.

The word *holder*, when used with respect to Trust Certificates, shall include the plural as well as the singular number.

Investments shall mean (i) bonds, notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States are pledged to provide for the payment of the interest and principal, in each case maturing within one year after the date of investment therein, (ii) commercial paper given a rating of at least "prime" or its equivalent by the National Credit Office or a successor thereto or a similar rating service substituted therefor and (iii) certificates of deposit of or time deposits in banks or trust companies incorporated and doing business under the laws of the United States of America or one of the States thereof having a capital and surplus aggregating at least \$50,000,000.

Officers' Certificate shall mean a certificate signed by the Chairman of the Board, the President, a Vice President, the General Manager, the Secretary or any Assistant Secretary and by the Treasurer or any Assistant Treasurer of the Company.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel for the Company who shall be satisfactory to the Trustee and who may be an employee of the

Company. The acceptance by the Trustee of, and its action on, an Opinion of Counsel shall be sufficient evidence that such counsel is satisfactory to the Trustee.

Request shall mean a written request for the action therein specified, delivered to the Trustee, dated not more than ten days prior to the date of delivery to the Trustee and signed on behalf of the Company by the Chairman of the Board, the President, a Vice President, the Treasurer, any Assistant Treasurer or the General Manager of the Company.

Trust Equipment shall mean all Equipment at the time subject to the terms of this Agreement.

The words *herein*, *hereof*, *hereby*, *hereto*, *hereunder* and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph or subdivision hereof.

ARTICLE THREE

TRUST CERTIFICATES AND ISSUANCE THEREOF

SECTION 3.01. *Issuance of Trust Certificates.* Upon the sale of any of the Trust Certificates, an amount equal to the principal amount of the Trust Certificates so sold shall, forthwith upon the issuance thereof, be deposited in cash with the Trustee.

Thereupon, without waiting for the recording or filing of this Agreement or of any other instrument respecting the Trust Equipment, the Trustee shall issue and deliver, as the Company shall direct by Request, Trust Certificates in the aggregate principal amount so sold.

The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee under this Section shall not exceed the Total Authorized Issue

in the form of Trust Certificate, and the aggregate principal amount represented by all the Trust Certificates shall be payable as hereinafter set forth.

SECTION 3.03. *Form, Execution and Characteristics of Trust Certificates.*

(a) The Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company as provided in Section 7.01 shall be in substantially the forms hereinbefore set forth.

(b) The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of its President, one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual signature of its Secretary or one of its Assistant Secretaries or one of its Assistant Trust Officers. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any of the Trust Certificates shall cease to be such officer of the Trustee before the Trust Certificates shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of the Trust Certificates, such Trust Certificates may be adopted by the Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of the Trustee.

(c) The Trust Certificates (i) shall be issuable in denominations of \$1,000 or any multiple thereof; (ii) shall be registered, as to both principal and dividends, in the name of the holders; (iii) shall be transferable in whole or in part upon presentation and surrender thereof for transfer at the Corporate Trust Office, accompanied by appropriate instruments of assignment and transfer, duly executed by the reg-

istered holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee; (iv) shall be dated as of the date of issue unless issued in exchange for another Trust Certificate or Certificates bearing unpaid dividends from an earlier date, in which case they shall be dated as of such earlier date; (v) shall entitle the registered holder to dividends from the date thereof; and (vi) shall be exchangeable for an equal aggregate principal amount of Trust Certificates of authorized denominations.

(d) Anything contained herein to the contrary notwithstanding, the parties hereto may deem and treat the registered holder of any Trust Certificates as the absolute owner of such Trust Certificates for all purposes and shall not be affected by any notice to the contrary.

(e) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and transfer of the Trust Certificates and, upon presentation of the Trust Certificates for such purpose, the Trustee shall register any transfer as hereinabove provided, and under such reasonable regulations as it may prescribe.

(f) For any registration, transfer or exchange, the Trustee shall require the payment of a sum sufficient to reimburse it for any governmental charge connected therewith.

(g) Each Trust Certificate delivered pursuant to any provision of this Agreement in exchange or substitution for, or upon the transfer of the whole or any part, as the case may be, of one or more other Trust Certificates shall carry all the rights to principal and to dividends accrued and unpaid and to accrue, which were carried by the whole or such part, as the case may be, of such one or more other Trust Certificates, and, notwithstanding anything contained in this Agreement, such Trust Certificate shall be so dated

that neither gain nor loss in dividends or principal shall result from such exchange, substitution or transfer.

(h) The Trustee shall not be required to issue, transfer or exchange Trust Certificates for a period of ten days next preceding any dividend payment date.

SECTION 3.04. *Replacement of Lost Trust Certificates.* In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor, date and maturity, and bearing such identifying number or designation as the Trustee may determine, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The Company shall execute its guaranty on any Trust Certificates to be so delivered. The applicant for a new Trust Certificate pursuant to this Section shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate, and also shall furnish such security or indemnity as may be required by the Trustee and by the Company in their discretion, and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE FOUR

ACQUISITION OF TRUST EQUIPMENT BY TRUSTEE;
DEPOSITED CASH

SECTION 4.01. *Acquisition of Equipment by Trustee.* The Company, as speedily as may be, shall cause to be sold to the Trustee, as trustee for the holders of the Trust Certificates, all of the Equipment described in Schedule I hereto. Such Equipment shall be delivered to the person or persons designated by the Trustee as its agent or agents to accept such delivery (who may be one or more of the officers or agents of the Company) and the certificate of any such agent or agents as to such delivery and acceptance shall be conclusive evidence of such delivery.

In the event that the Company shall deem it necessary or desirable to procure for the use of the Company, and to include in the trust hereby created, other new Equipment in lieu of any units of the Equipment specifically described in Schedule I hereto prior to the acceptance of such Equipment by the Trustee or its agent or agents, or in the event that any unit of the Equipment described in Schedule I hereto shall suffer a Casualty Occurrence as defined in Section 5.08, prior to such acceptance, the Company may cause to be sold to the Trustee such other Equipment, to be substituted under the trust.

ARTICLE FIVE

LEASE OF TRUST EQUIPMENT TO THE COMPANY

SECTION 5.02. *Equipment Automatically Subjected.* As and when any Equipment shall from time to time be settled for hereunder by the Trustee or its agent or agents, the same shall, *ipso facto* and without further instrument

ment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals payable by the Company and the principal of all the then outstanding Trust Certificates, as provided in Section 6.01) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of then outstanding Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, or of principal and dividends in

respect of the Trust Certificates, and the Company shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the obligations of the Company under this Agreement.

SECTION 6.03. *Application of Proceeds.* If the Trustee shall exercise any of the powers conferred upon it by Sections 6.01 and 6.02, all payments made by the Company to the Trustee, and the proceeds of any judgment collected from the Company by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates or a part thereof, or dividends thereon), shall be applied by the Trustee to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement and (b) of the dividends then due, with interest on overdue dividends at the Penalty Rate, to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the Penalty Rate, to the extent legally enforceable, from the last preceeding dividend payment date, whether such Trust Certificates shall have then matured by their terms or not, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then *pro rata* without preference between principal and dividends.

After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the

Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Company agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

SECTION 6.04. *Waivers of Default.* Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates as provided in Section 6.01, the holders of a majority in aggregate unpaid principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all the Trust Certificates waive any past Default and its consequences, except a Default in the payment of any instalment of rental payable pursuant to Section 5.04 in respect of the principal of, or dividends or interest on, the Trust Certificates, but no such waiver shall extend to or affect any subsequent Default or impair any right consequent thereon.

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 6.01, all arrears of rent (with interest at the Penalty Rate upon any overdue instalments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Company's Default, and all other sums which shall have become due and payable by the Company hereunder shall be paid by the Company before any sale or lease by the Trustee of any of the Trust Equipment, and every other Default shall be made good or secured to the satisfaction of the Trustee and the holders of the Trust Certificates, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such

case, the Trustee, if so requested by the holders of a majority in aggregate unpaid principal amount of the Trust Certificates then outstanding according to their terms, shall by written notice to the Company waive the Default by reason of which there shall have been such declaration or declarations and the consequences of such Default, but no such waiver shall extend to or affect any subsequent Default or impair any right consequent thereon.

SECTION 6.05. *Obligations of Company Not Affected by Remedies.* No retaking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder or the obligations of the Company under the guaranty endorsed on the Trust Certificates. The Company hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any Default in the payment of the principal of and dividends on the Trust Certificates.

SECTION 6.06. *Company to Deliver Trust Equipment to Trustee.* In case the Trustee shall rightfully demand possession of any of the Trust Equipment in pursuance of this Agreement, the Company will, at its own expense, forthwith and in the usual manner and at usual speed, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, at the expense of the Com-

pany, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 6.07. *Trustee to Give Notice of Default.* The Trustee shall give to the holders of the Trust Certificates notice of each Default hereunder known to the Trustee within 30 days after the occurrence thereof, unless remedied or cured before the giving of such notice.

SECTION 6.08. *Control by Holders of Trust Certificates.* The holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; *provided, however*, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken.

SECTION 6.09. *Limitations on Suits by Holders of Trust Certificates.* No holder of any Trust Certificate shall have any right by virtue or by availing of any provision of this Agreement to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of a Default and of the continuance thereof, as herein provided, and unless also the holders

of a majority in aggregate principal amount of the Trust Certificates then outstanding shall have made written request to the Trustee to institute such action or proceeding in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.08; and no one or more holders of Trust Certificates shall have any right in any manner whatever to affect or prejudice the rights of any other holder of Trust Certificates, or to obtain or seek to obtain priority over any other such holder or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Trust Certificates. For the protection and enforcement of the provisions of this Section, each and every holder of a Trust Certificate and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 6.10. *Unconditional Right of Holders of Trust Certificates to Sue for Principal and Dividends.* Notwithstanding any other provision in this Agreement, the right of any holder of any Trust Certificate to receive payment of the principal of and dividends on such Trust Certificate, on or after the respective due dates expressed in such Trust Certificate, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except no such suit shall be instituted if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law,

result in the surrender, impairment, waiver or loss of the title reserved under this Agreement upon any property subject hereto.

SECTION 6.11. *Remedies Cumulative; Subject to Mandatory Requirements of Law.* The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity; and such remedies shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Company.

ARTICLE SEVEN

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 7.01. *Guaranty of Company.* The Company guarantees that the holder of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the Penalty Rate, to the extent legally enforceable), and shall receive dividends thereon in like money at the rate specified therein, at the times and place and otherwise as expressed in the Trust Certificates and this Agreement (and, if not so paid, with interest thereon until paid at the Penalty Rate, to the extent legally enforceable); and the Company agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substan-

ment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals payable by the Company and the principal of all the then outstanding Trust Certificates, as provided in Section 6.01) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of then outstanding Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, or of principal and dividends in

respect of the Trust Certificates, and the Company shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the obligations of the Company under this Agreement.

SECTION 6.03. *Application of Proceeds.* If the Trustee shall exercise any of the powers conferred upon it by Sections 6.01 and 6.02, all payments made by the Company to the Trustee, and the proceeds of any judgment collected from the Company by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates or a part thereof, or dividends thereon), shall be applied by the Trustee to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement and (b) of the dividends then due, with interest on overdue dividends at the Penalty Rate, to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the Penalty Rate, to the extent legally enforceable, from the last preceeding dividend payment date, whether such Trust Certificates shall have then matured by their terms or not, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then *pro rata* without preference between principal and dividends.

After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the

Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Company agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

SECTION 6.04. *Waivers of Default.* Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates as provided in Section 6.01, the holders of a majority in aggregate unpaid principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all the Trust Certificates waive any past Default and its consequences, except a Default in the payment of any instalment of rental payable pursuant to Section 5.04 in respect of the principal of, or dividends or interest on, the Trust Certificates, but no such waiver shall extend to or affect any subsequent Default or impair any right consequent thereon.

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 6.01, all arrears of rent (with interest at the Penalty Rate upon any overdue instalments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Company's Default, and all other sums which shall have become due and payable by the Company hereunder shall be paid by the Company before any sale or lease by the Trustee of any of the Trust Equipment, and every other Default shall be made good or secured to the satisfaction of the Trustee and the holders of the Trust Certificates, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such

case, the Trustee, if so requested by the holders of a majority in aggregate unpaid principal amount of the Trust Certificates then outstanding according to their terms, shall by written notice to the Company waive the Default by reason of which there shall have been such declaration or declarations and the consequences of such Default, but no such waiver shall extend to or affect any subsequent Default or impair any right consequent thereon.

SECTION 6.05. *Obligations of Company Not Affected by Remedies.* No retaking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder or the obligations of the Company under the guaranty endorsed on the Trust Certificates. The Company hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any Default in the payment of the principal of and dividends on the Trust Certificates.

SECTION 6.06. *Company to Deliver Trust Equipment to Trustee.* In case the Trustee shall rightfully demand possession of any of the Trust Equipment in pursuance of this Agreement, the Company will, at its own expense, forthwith and in the usual manner and at usual speed, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, at the expense of the Com-

pany, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 6.07. *Trustee to Give Notice of Default.* The Trustee shall give to the holders of the Trust Certificates notice of each Default hereunder known to the Trustee within 30 days after the occurrence thereof, unless remedied or cured before the giving of such notice.

SECTION 6.08. *Control by Holders of Trust Certificates.* The holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; *provided, however*, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken.

SECTION 6.09. *Limitations on Suits by Holders of Trust Certificates.* No holder of any Trust Certificate shall have any right by virtue or by availing of any provision of this Agreement to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of a Default and of the continuance thereof, as herein provided, and unless also the holders

of a majority in aggregate principal amount of the Trust Certificates then outstanding shall have made written request to the Trustee to institute such action or proceeding in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.08; and no one or more holders of Trust Certificates shall have any right in any manner whatever to affect or prejudice the rights of any other holder of Trust Certificates, or to obtain or seek to obtain priority over any other such holder or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Trust Certificates. For the protection and enforcement of the provisions of this Section, each and every holder of a Trust Certificate and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 6.10. *Unconditional Right of Holders of Trust Certificates to Sue for Principal and Dividends.* Notwithstanding any other provision in this Agreement, the right of any holder of any Trust Certificate to receive payment of the principal of and dividends on such Trust Certificate, on or after the respective due dates expressed in such Trust Certificate, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except no such suit shall be instituted if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law,

result in the surrender, impairment, waiver or loss of the title reserved under this Agreement upon any property subject hereto.

SECTION 6.11. *Remedies Cumulative; Subject to Mandatory Requirements of Law.* The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity; and such remedies shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Company.

ARTICLE SEVEN

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 7.01. *Guaranty of Company.* The Company guarantees that the holder of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the Penalty Rate, to the extent legally enforceable), and shall receive dividends thereon in like money at the rate specified therein, at the times and place and otherwise as expressed in the Trust Certificates and this Agreement (and, if not so paid, with interest thereon until paid at the Penalty Rate, to the extent legally enforceable); and the Company agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substan-

tially the form herein set forth. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its President, a Vice President or the Treasurer. In case any officer of the Company whose signature shall appear on said guaranty shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Company as though the person who signed said guaranty had not ceased to be or had then been such officer.

SECTION 7.02. *Discharge of Liens.* The Company agrees that it will pay and discharge, or make adequate provision for the payment or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien or charge upon or against any of the Trust Equipment; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, *provided that* such contest will not materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates and the Company shall have furnished the Trustee with an Opinion of Counsel to such effect.

SECTION 7.03. *Further Assurances.* The Company agrees to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

SECTION 7.04. *Merger or Consolidation.* The Company agrees not to merge or consolidate with any other

corporation unless the survivor of such merger or consolidation shall be a solvent corporation organized under the laws of the United State of America or a State thereof or the District of Columbia and such survivor (if not the Company) shall assume all the obligations and liabilities of the Company hereunder and as guarantor of the Trust Certificates.

ARTICLE EIGHT

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

SECTION 8.01. *Evidence of Action Taken by Holders of Trust Certificates.* Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate unpaid principal amount of the Trust Certificates may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by holders of Trust Certificates in person or by agent or proxy appointed in writing.

SECTION 8.02. *Proof of Execution of Instruments and of Holding of Trust Certificates.* The execution of any instrument by a holder of Trust Certificates or his agent or proxy may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer.

The ownership of Trust Certificates may be proved by the register of such Trust Certificates or by a certificate of the registrar thereof.

SECTION 8.03. *Trust Certificates Owned by Company.* In determining whether the holders of the requisite principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by the Company or by any other obligor on the Trust Certificates or by an Affiliate of the Company or any such other obligor shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which the Trustee knows are so owned shall be disregarded.

SECTION 8.04. *Right of Revocation of Action Taken.* At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the required percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement, any holder of a Trust Certificate may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 8.02, revoke such action in so far as concerns such Trust Certificate. Except as aforesaid, any such action taken by the holder of any Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the required percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement shall be conclusive and binding upon the Company, the Trustee and the holders of all the Trust Certificates.

SECTION 8.05. *Amendment or Waiver.* Any provision of this Agreement may be amended or waived with the written consent of the holders of not less than 66 $\frac{2}{3}$ % of the aggregate unpaid principal amount of the Trust Certificates then outstanding; *provided, however*, that no such amendment or waiver shall (1) reduce the amount of principal, change the amount or dates of payment of instalments of principal or reduce the rate or extend the time of payment of dividends with respect to the Trust Certificates without the consent of the holders of each Trust Certificate so affected, (2) reduce the amount of or extend the time of payment of any rentals payable under the Equipment Trust Agreement or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in trust, otherwise than as expressly permitted by the present terms of this Agreement, without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, or (3) reduce the percentage of the aggregate unpaid principal amount of Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver.

ARTICLE NINE

THE TRUSTEE

SECTION 9.01. *Acceptance of Trust.* The Trustee hereby accepts the trust imposed upon it by this Agreement and agrees to perform the same as herein expressed.

SECTION 9.02. *Duties and Responsibilities of the Trustee.* In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(a) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

(b) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or that its action or inaction was contrary to the express provisions of this Agreement;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good

faith in accordance with the direction of the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(d) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Trust Certificate, guaranty or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(e) the Trustee may consult with counsel, and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such Opinion of Counsel and not contrary to any express provisions of this Agreement;

(f) the Trustee shall be under no obligation to exercise any of its rights or powers vested in it by this Agreement at the request, order or direction of any of the holders of the Trust Certificates, pursuant to the provisions of this Agreement, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby; and

(g) the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

SECTION 9.03. *Application of Rentals.* The Trustee agrees to apply the rentals received by it under Section

5.04(B) when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in Section 5.04(B).

The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this Agreement until fully indemnified by the Company or by one or more of the holders of the Trust Certificates against all liability and expenses; and the Trustee shall not be responsible for the filing or recording or refiling or re-recording of this Agreement or of any supplement hereto or statement of new numbers.

SECTION 9.04. *Funds May be Held by Trustee; Investments.* Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on deposit with itself, and the Trustee will allow interest upon any such moneys held by it in trust at the rate generally allowed by it upon deposits of a similar character.

At any time, and from time to time, if at the time no Event of Default shall have occurred and be continuing, the Trustee, on Request, shall invest and reinvest Deposited Cash held by it or cash deposited with it pursuant to Section 5.07 or Section 5.08 (hereinafter in this Section called Replacement Funds) in Investments, at such prices, not in excess of fair market value at the time of investment, including any premium and accrued interest, as are set forth in such Request, such Investments to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates.

The Trustee shall, on Request, or the Trustee may, in the event funds are required for payment against delivery of Trust Equipment or for payment of the principal of or dividends on any Trust Certificate, sell such Investments,

or any portion thereof, and restore to Deposited Cash or Replacement Funds, as the case may be, the proceeds of any such sale up to the amount paid for such Investments, including accrued interest, or apply such proceeds to the payment of said principal or dividends if and to the extent such proceeds are needed therefor.

The Trustee shall restore to Deposited Cash or Replacement Funds, as the case may be, out of rent received by it for that purpose under the provisions of Section 5.04(B) (1), an amount equal to any expenses incurred in connection with any purchase or sale of Investments and also an amount equal to any loss of principal incident to the sale or redemption of any Investments for a sum less than the amount paid therefor, including accrued interest.

The Company, if not to the knowledge of the Trustee in Default, shall be entitled to receive any interest allowed as provided in the first paragraph of this Section and any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit which may be realized from any sale or redemption of Investments.

SECTION 9.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the manufacturers thereof or of the Company, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto or otherwise.

The Trustee may perform its powers and duties with respect to the delivery and acceptance of the Trust Equipment by or through such attorney, agents and servants as it shall appoint, and shall be answerable only for its own acts,

negligence and wilful defaults and not for the default or misconduct of any attorney, agent or servant appointed by it in respect thereof with reasonable care.

The Trustee shall be entitled to receive payment of all of its expenses and disbursements hereunder, including reasonable counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Company.

The Trustee in its individual capacity may own, hold and dispose of Trust Certificates.

Any moneys at any time held by the Trustee or any paying agent hereunder shall until paid out or invested by the Trustee or any paying agent as herein provided, be held by it in trust as herein provided for the benefit of the holders of the Trust Certificates.

SECTION 9.06. Resignation and Removal; Appointment of Successor Trustee.

(a) The Trustee may resign and be discharged of the trust created by this Agreement by giving 30 days' written notice to the Company and such resignation shall take effect 30 days after the delivery thereof to the Company or upon receipt by the Trustee of an instrument of acceptance executed by a successor trustee as hereinafter provided in Section 9.07.

(b) The Trustee may be removed at any time by an instrument in writing signed by the holders of a majority in principal amount of the Trust Certificates then outstanding, delivered to the Trustee and to the Company.

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority of the aggregate principal amount of the then

outstanding Trust Certificates by an instrument in writing delivered to the Company and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Company by an instrument in writing executed by order of its Board of Directors shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Company shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section shall be a national bank, or a bank or trust company incorporated under the laws of the State of New York, having its principal office in the Borough of Manhattan in the City of New York, and having capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(d) The Company shall give notice of each resignation, removal or incapacity of the then Trustee or of a vacancy occurring in the office of the Trustee for any other cause and of each appointment by the Company of a successor trustee pursuant to paragraph (c) of this Section by mailing written notice of such event by first-class mail, postage prepaid, to the holders of all outstanding Trust Certificates.

SECTION 9.07. *Acceptance of Appointment by Successor Trustee.* Any successor trustee appointed as provided in Section 9.06 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee

herein; but, nevertheless, on the written request of the Company or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 9.05.

SECTION 9.08. *Merger or Consolidation of Trustee.* Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party shall be the successor of the Trustee hereunder, *provided that* such corporation shall be qualified under the provisions of Section 9.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 9.09. *Return of Certain Moneys to Company.* Notwithstanding any provision of this Agreement, any moneys paid to the Trustee which are applicable to the payment of the principal of or dividends on, any Trust Certificates which remain unclaimed for four years after the day when such moneys were due and payable shall then be repaid to the Company upon Request, and the holders of such Trust Certificates shall thereafter be entitled to look only to the Company for payment thereof and all liability of the Trustee with respect to such moneys shall thereupon

cease; *provided, however*, that before the repayment of such moneys to the Company as aforesaid, the Trustee may first publish a notice, in such form as may be deemed appropriate by the Trustee in respect of the Trust Certificates so payable and not presented and in respect of the provisions hereof relating to the repayment to the Company of the moneys held for the payment thereof.

ARTICLE TEN

MISCELLANEOUS

SECTION 10.01. *Rights Confined to Parties and Holders.* Nothing expressed or implied herein shall be construed to confer upon any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates, any right, remedy or claim under or by reason of this Agreement or of any term, agreement or condition herein, and all the terms, covenants and conditions herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates.

SECTION 10.02. *No Recourse.* No recourse under any term, agreement or condition of this Agreement, or of the guaranty endorsed on any Trust Certificate, shall be had against any stockholder, officer or director of the Company, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors of the Company, as such, or any of them, under or by reason of any of the terms, agreements or conditions contained in this Agreement or in said guaranty, or implied therefrom,

and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this Agreement and said guaranty.

SECTION 10.03. *Binding Upon Assigns.* Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10.05. *Effect of Headings; Date Executed; and Governing Law.*

(a) The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

(b) This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

(c) The provisions of this Agreement shall be governed by the laws of the State of New York.